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UNITED STATES DEPARTMENT OF AGRICULTURE
PRODUCTION AND MARKETING ADMINISTRATION
DAIRY BRANCH

INSERTS

FOR

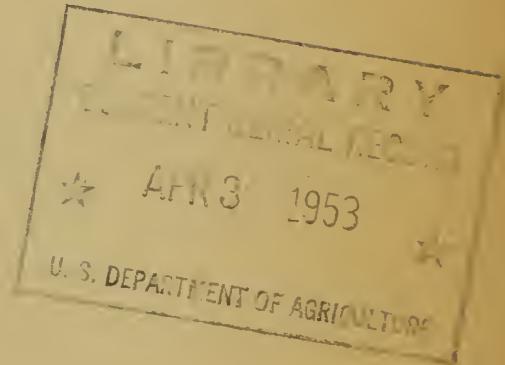
SUMMARIES

FLUID MILK MARKETING ORDERS

Revised to March 1, 1953

and

Federal Register Citations
for the Milk Price Orders



The attached are inserts to be substituted for the corresponding pages in the Summaries of Fluid Milk Marketing Orders, April 1, 1948, and Federal Register Citations for the milk price orders. These inserts revise the Federal orders as effective on March 1, 1953. The last insert was issued on February 1, 1953.

Agriculture - Washington

NEOSHO VALLEY - ORDER NO. 28

<u>Citation</u>	<u>Date Published</u>	<u>Action</u>
16 FR 11051	10/31/51	Order
17 FR 7807	8/27/52	Amendment No. 1

MUSKOGEE - ORDER NO. 29

16 FR 5037	5/30/51	Order
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TOLEDO - ORDER NO. 30

16 FR 6420	7/3/51	Order, as amended
16 FR 10049	10/3/51	Amendment No. 9
18 FR 870	2/13/53	Amendment No. 10

CEDAR RAPIDS - ORDER NO. 31

16 FR 7343	7/27/51	Order
17 FR 4843	5/28/52	Order suspending certain provisions
17 FR 9063	10/11/52	Amendment No. 1

FORT WAYNE - ORDER NO. 32

15 FR 3307	5/30/50	Order, as amended
16 FR 11095	11/1/51	Amendment No. 3
17 FR 4911	5/30/52	Amendment No. 4
18 FR 1199	3/4/53	Amendment No. 5

LOWELL-LAWRENCE - ORDER NO. 34

16 FR 9671	9/22/51	Order, as amended
17 FR 2708	3/28/52	Amendment No. 10
17 FR 7771	8/26/52	Amendment No. 11

QUAD CITIES - ORDER NO. 44

<u>Citation</u>	<u>Date Published</u>	<u>Action</u>
13 FR 2285	4/28/48	Order, as amended
14 FR 2252	5/6/49	Amendment No. 3
16 FR 3276	4/14/51	Order suspending certain provisions
16 FR 12027	11/30/51	Amendment No. 4
17 FR 4843	5/28/52	Order suspending certain provisions

LOUISVILLE - ORDER NO. 46

16 FR 8512	8/24/51	Order, as amended
16 FR 10050	10/3/51	Amendment No. 5
17 FR 4843	5/28/52	Amendment No. 6
17 FR 7884	8/29/52	Amendment No. 7

FALL RIVER - ORDER NO. 47

16 FR 10107	10/4/51	Order, as amended
17 FR 2709	3/28/52	Amendment No. 12
17 FR 7773	8/26/52	Amendment No. 13

SIOUX CITY - ORDER NO. 48

12 FR 2079	3/29/47	Order, as amended
13 FR 9490	12/31/48	Amendment No. 2

SAN ANTONIO - ORDER NO. 49

17 FR 3013	4/8/52	Order
17 FR 5934	7/2/52	Correction
17 FR 10902	12/3/52	Amendment No. 1
18 FR 1153	2/28/53	Order terminating certain provisions

DULUTH-SUPERIOR - ORDER NO. 54

<u>Citation</u>	<u>Date Published</u>	<u>Action</u>
16 FR 155	1/6/51	Order, as amended
16 FR 8103	8/16/51	Amendment No. 6

SIOUX FALLS-MITCHELL - ORDER NO. 56

17 FR 6187	7/10/52	Order
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PHILADELPHIA - ORDER NO. 61

17 FR 5309	6/11/52	Order, as amended
18 FR 1153	2/28/53	Amendment No. 14

STARK COUNTY - ORDER NO. 63

17 FR 9922	11/4/52	Order
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CINCINNATI - ORDER NO. 65

15 FR 5983	9/6/50	Order, as amended
16 FR 2786	3/30/51	Amendment No. 10
16 FR 8816	8/31/51	Amendment No. 11
16 FR 10051	10/3/51	Amendment No. 12
17 FR 2159	3/13/52	Termination of certain provisions

TRI-STATE - ORDER NO. 72

<u>Citation</u>	<u>Date Published</u>	<u>Action</u>
17 FR 2961	4/5/52	Order, as amended

MINNEAPOLIS-ST. PAUL - ORDER NO. 73

15 FR 5326	8/15/50	Order, as amended
16 FR 7583	8/3/51	Order suspending certain provisions
17 FR 7685	8/22/52	Amendment No. 1

COLUMBUS - ORDER NO. 74

17 FR 2968	4/5/52	Order, as amended
17 FR 5810	6/28/52	Notice of correction

CLEVELAND - ORDER NO. 75

15 FR 5878	8/31/50	Order, as amended
16 FR 6362	6/30/51	Amendment No. 5
17 FR 9846	11/1/52	Amendment No. 6

FORT SMITH - ORDER NO. 76

17 FR 6939	7/30/52	Order
17 FR 9771	10/30/52	Amendment No. 1
18 FR 1154	2/28/53	Amendment No. 2

PADUCAH - ORDER NO. 77

16 FR 8431	8/23/51	Order, as amended
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(2) (a) Price per pound of Chicago 92-score butter, times 6;
 (b) Plus the average price per pound of Wisconsin state brand Cheddars, f.o.b. Wisconsin assembling points minus 1.3 cents, times 2.4;
 (c) Divide by 7, times 1.3, times 4.

(3) Price per pound of Chicago 92-score butter, minus 3 cents, times 1.2, times 4, plus an amount computed as follows:
 Average price per pound of nonfat dry milk solids (carlots, spray and roller process, human consumption, f.o.b. manufacturing plants in Chicago area), minus 5.5 cents, times 8.5, times .96.

Class I - Basic formula price plus: 80 cents during April through June; \$1.65 during October through December; \$1.20 during all other months; subject to a "Supply-demand" adjustment computed from a utilization percentage, i. e., the percentage which Class I sales are of producer receipts during the first and second preceding months. From this current utilization percentage there is subtracted a standard utilization percentage as follows:

<u>Month</u>	<u>Percent</u>	<u>Month</u>	<u>Percent</u>	<u>Month</u>	<u>Percent</u>
January	86	May	68	September	61
February	82	June	60	October	70
March	78	July	54	November	81
April	73	August	56	December	87

The resulting net utilization percentage is converted to a specific price adjustment in accordance with a tabulated schedule of premiums and discounts which average 3 cents per net utilization percent during January, February, March, August, and September, 2-cent premium and 4-cent discount during April through July, and 4-cent premium and 2-cent discount during October through December.

Class II - Same as basic formula price.

Butterfat Differentials:

Class I - Price per pound of Chicago 92-score butter, times 1.3, divided by 10.

Class II - Price per pound of Chicago 92-score butter, times 1.15, divided by 10.

Producer Price - Price per pound of Chicago 92-score butter, times 1.15, divided by 10.

Location Differentials:

None

Method of Accounting for Milk:

Weights of butterfat and skim milk are computed separately as used in each class.

Expense of Administration:

Handlers pay administrative costs not to exceed 4 cents per hundredweight on producer milk and on "other source" milk classified as Class I.

Special Producer Provisions:

Deductions, as authorized by members, or by non-members for whom the associations render marketing services, are turned over to the cooperative associations.

A marketing service charge not to exceed 4 cents is deducted for non-members.

Payments on account are made to producers on or before the last day of each month for milk delivered during the first 15 days of each month, at not less than the uniform price for the preceding delivery period.

Special Handler Provisions:

Handlers operating non-pool plants from which routes extend into the marketing area must pay into the pool on all Class I milk sold in the marketing area the difference between the Class I and Class II values of such milk. Handlers operating pool plants who receive "other source" milk classified as Class I pay into the pool the difference between the Class I and Class II value of such milk. No payments are required on "other source" milk sold outside the marketing area.

Class II - Sum of butterfat and skim values.

Butterfat value is computed as follows: Average of specified quotations per 40-quart can of 40 per cent cream in the Philadelphia market, divided by 33.48, times 4, minus 26.5 cents.

The butterfat value of milk used to make butter is computed as follows: Price per pound of New York 92-score butter, times 1.2, times 4, minus 19 cents. This value does not apply if it is more than the value of other Class II butterfat.

Skim milk value is computed as follows: Average price per pound of nonfat dry milk solids (roller process, other brands, human consumption, carlots, bags or barrels, as published in "Producers' Price Current") times 7.5, minus 5 $\frac{1}{4}$ cents in April, May, and June and minus 4 $\frac{1}{4}$ cents in other months.

In March 1953 deduct 10 cents from the calculated Class II price.

During the months of March 1953 through June 1953 the price for milk used in the manufacture of evaporated milk, milk chocolate, cheese other than cottage cheese, and nonfat dry milk shall not be greater than the following amount:

A butterfat value computed as follows: Price per pound of New York 92-score butter, plus 2 cents, times 1.22, times 4, minus 19 cents

PLUS

A skim milk value computed as follows: Weighted average (70% roller and 30% spray) of prices per pound of roller and spray process nonfat dry milk (human consumption, carlots, f.o.b. Chicago area manufacturing plants) from the 26th of the preceding month through the 25th day of the current month, minus 5 $\frac{1}{4}$ cents.

Premium for Grade A milk - 40 cents if bacteria is below 10,000 per c.c.; 25 cents for 10,000 to 25,000. This premium is multiplied by the ratio of Grade A milk sold either in fluid form or as products manufactured from Grade A milk to the total quantity of Grade A milk received from producers. Two cents additional butterfat differential shall be paid for each one-tenth of one per cent in the butterfat test of such milk above 3.7 per cent.

Butterfat Differentials:

Class I - 5 cents per point. (Applies only to products containing less than 6 per cent or more than 3 per cent of butterfat; Class II differential applies to other products.)

Class II - Average of cream quotations used in Class II price divided by 33 $\frac{1}{4}$.8 and subtract 0.67 cents. In the case of butterfat in Class II used to make butter, the butterfat differential is the applicable butterfat value divided by 40.

During the months of March 1953 through June 1953, the butterfat differential applicable to milk used in the manufacture of evaporated milk, milk chocolate, cheese other than cottage cheese, and nonfat dry milk shall be computed as follows: Price per pound of New York 92-score butter, plus 2 cents, times 1.22, times 4, minus 19 cents - divide sum by 40.

Producer Price - Same as Class I.

Location Differentials:

Class I Price - 7 cents per hundredweight for milk delivered to plants in 11-16 mile zone plus 2 cents for each additional 5 miles up to 31 miles. Thirty-four cents per hundredweight for milk delivered to plants in 31-40 mile zone, plus one cent for each additional 10 miles up to a maximum of 64 cents.

Class II Price - 7 cents per hundredweight for milk delivered to plants in the 11-16 mile zone plus 2 cents for each additional 5 miles up to 31 miles. Eight cents for milk delivered to plants in the 31-70 mile zone plus one cent for each additional 70 miles.

Producer Price - Handlers deduct from payments to producers 7 cents per hundredweight for milk delivered to plants in the 11-16 mile zone, plus 2 cents for each additional 5 miles up to 31 miles. For milk delivered to plants beyond 31 miles, the deduction is computed as follows: Class I location differential times the percentage of handler's sales of producer milk in Class I, plus the Class II differential times the percentage of handler's sales of producer milk in Class II.

Method of Accounting for Milk:

Weight of milk, cream or skim milk used in the products of each class.

Type of Pool:

Individual handler, monthly pool without base rating plan or new producer clause.

Interhandler Transfers:

Milk or skim milk moved from one handler's plant to the plant of another handler is Class I. Handlers are permitted to classify differently by submitting written agreement to the market administrator.

(2) Price per pound of Chicago 92-score butter minus 3 cents, times 4.2

PLUS

price per pound, spray and roller process, nonfat dry milk solids for human consumption, f.o.b. manufacturing plants in the Chicago area, minus 5.5 cents and multiplied by 8.2.

Class I -

(a) To the "basic formula" price add the following: April, May, and June, 85 cents; February, March, and July, \$1.15; all other months, \$1.45.

(b) Determine the percentage that the value of butterfat is to the total value in (2) under "basic formula" price. Multiply the Class I price for milk by the percentage for butterfat and then divide by 3.5. This is the Class I price per pound of butterfat.

(c) Subtract the value of 3-1/2 pounds of butterfat from the price for Class I milk and divide the remainder by 0.965. This amount is the Class I price per hundredweight of skim milk.

Class II -

(a) Price for Class II milk is the average of prices paid for milk of 3.5 per cent butterfat content at 5 manufacturing milk plants in Ohio.

(b) The separate values of skim milk and butterfat are computed in the same way as for Class I skim milk and butterfat. (See (b) and (c) under Class I price.)

Butterfat Differentials:

Class Prices - None because skim milk and butterfat are priced separately.

Producer Price - Price per pound of Chicago 92-score butter times 0.13.

Location Differentials:

None.

- (a) Divide by 0.0485 the daily farm wage rate without board or room for Texas (U. S. Dept. of Agriculture) and multiply by 0.3.
- (b) Divide by 0.03971 the average price paid per hundred-weight for all mixed dairy feed in Texas (U. S. Dept. of Agriculture) and multiply by 0.7.
- (c) Add (a) and (b) together.
- (4) Add (1), (2), (3) together, divide by 3, round to nearest one-tenth.
- (5) Multiply the result of (4) by \$5.99 and divide by 100.
- (6) Adjust the result of (5) so that it does not exceed the 18-condensery pay price adjusted to 4.0% (see Chicago summary) by less than \$2.00 or more than \$3.00.
- (7) Compute a utilization percentage (total pounds of Class I milk during the first and second preceding months divided into producer receipts for the same period rounded to nearest whole percent) and add to (6) 3 cents for each percentage point the utilization percentage is above 100 and subtract 3 cents for each percentage point the utilization percentage is above 110 except that such addition or subtraction cannot exceed 60 cents. The resulting amount rounded to nearest full cent is the Class I price.

Class II - Price per pound of 92-score butter at Chicago for the month minus 3 cents, times 1.2, and times 4.0.

PLUS

price per pound for nonfat dry milk solids (carlots, spray and roller process, human consumption, at manufacturing plants in the Chicago area) for the month, minus 5 cents multiplied by 8.16.

Butterfat Differentials:

Class I - Price per pound 92-score butter at Chicago for the preceding month, times 0.125.

Class II - Price per pound 92-score butter at Chicago for current month times 0.120.

Producer Price - Price per pound 92-score butter at Chicago during the month times 1.1 divided by 10.

(3) Price per pound of 92-score Chicago butter minus 3 cents, times 1.2, and times 4.0

PLUS

price per pound for nonfat dry milk solids (carlots, spray and roller process, human consumption, at manufacturing plants in the Chicago area) minus 5.5 multiplied by 8.5 and multiplied by 0.96.

Class I - To the "basic formula" price add the following: November 1952 through January 1953, \$2.25, February and March 1953, \$2.05. Otherwise, add \$1.45 during April through June, \$1.85 in all other months. (The price for October, November, and December shall not be less than that for the preceding month and the price for April, May, and June shall not be higher than that for the preceding month.)

Class II - Average price paid for milk of 4.0 percent butterfat content received from farmers at the following places:

<u>Present Operator</u>	<u>Location</u>
Carnation Co.,	Mount Vernon, Missouri
Pet Milk Co.,	Neosho, Missouri
Pet Milk Co.,	Siloam Springs, Arkansas
Sugar Creek Creamery,	Russellville, Arkansas

During the March 1953 through June 1953 period a credit is allowed on each handler's Class II milk of 7 cents per pound for butterfat utilized in butter, American cheese, or evaporated milk either at the handler's plant or at an unapproved plant to which he has transferred such butterfat.

Butterfat Differentials:

Class I - Price per pound 92-score Chicago butter for the preceding month, times 1.25, divided by 10.

Class II - Price per pound 92-score Chicago butter for the current month, times 1.15, divided by 10.

Producer Price - Price per pound 92-score Chicago butter for the month times 1.2, divided by 10.

Location Differentials:

None.

Method of Accounting for Milk:

Weights of butterfat and skim milk are computed separately as used in each class. Upon completion of classification the butterfat test of each class is determined.

Type of Pool:

Market-wide monthly pool with base rating plan. There is no new producer clause.

Interhandler Transfers:

Skim milk or butterfat transferred or diverted by a handler in the form of milk, skim milk, or cream is classified as Class I if (1) transferred or diverted to the approved plant of another handler unless Class II utilization is indicated in writing by both handlers and in such event, if either or both handlers have "other source" milk, the transfer must be classified to give producer milk the highest valued classification, or (2) transferred or diverted to a producer-handler.

Outside Purchases:

Deducted in series beginning with Class II.

Outside Sales:

Milk sold outside the marketing area is priced the same as milk sold in the marketing area. Skim milk or butterfat transferred or diverted to an unapproved plant is classified: (1) as Class I if moved as milk, skim milk or Grade A cream and as Class II if moved as cream without Grade A certification to an unapproved plant 185 miles from the approved plant; (2) as Class I if moved as milk, skim milk or cream to an unapproved plant not more than 185 miles from the approved plant and from which Class I milk is disposed of unless the Market Administrator can verify Class II usage; (3) as Class II milk if moved as milk, skim milk, or cream to an unapproved plant which is not more than 185 miles from the approved plant and from which no Class I milk is disposed of provided the Market Administrator is permitted to verify such utilization.

Producer-handler:

A person who is both a producer and a handler and who receives no milk from other producers is exempt from the pricing provisions of the order. Reports may be required by the Market Administrator.

Expense of Administration:

Handlers are assessed not to exceed 4 cents per hundredweight on milk received from producers, including handler's own production, and on "other source" milk which is classified as Class I.

Special Producer Provisions:

Deductions for marketing services, as authorized by members, are turned over to cooperative associations. A monthly service charge not to exceed 5 cents per hundredweight is deducted for non-members.

